

April 17, 2019

NOTICE OF PROPOSED HEARING: PROPOSED CHANGES TO RECYCLED WATER RATES

This packet provides details on the proposed changes to San José Municipal Water System (SJMWS) recycled water rates and when they will become effective if approved by the San José City Council. The enclosed rate notice is also posted online at www.sjenvironment.org/ratenotices. You may receive multiple copies of this notice, as a packet is sent for each service address.

The San José City Council will hold a public hearing on the proposed rate changes on:

Tuesday, June 4, 2019 at 1:30 p.m. San José City Hall Council Chambers 200 East Santa Clara Street San José, CA 95113

If you wish to protest the proposed changes, the City must receive your written protest prior to the close of the public hearing on June 4, 2019. This notice provides information on how to protest the proposed rates.

Requesting this Notice in Other Formats

In accordance with the Americans with Disabilities Act, this letter can be made available upon request in alternative formats such as Braille, large print, audiotape, or computer disk. Requests can be made by calling (408) 535-3500 (voice) or (800) 735-2929 (California Relay System).

Para obtener una copia en español de este aviso de tarifa, llame al (408) 535-3500. Để có bản tiếng Việt của thông báo giá này, hãy gọi (408) 535-3500.

Reason for the Proposed Change

SJMWS purchases and delivers on average three million gallons of recycled water per day to institutional, industrial, and commercial customers. The City sets recycled water rates and charges in two categories, to recover fixed costs (meter charges) and variable costs (quantity rates). All customers will be billed a flat service charge based on the size of the water meter (Table 1), as well as a quantity charge per unit of water used (Table 2). The proposed rates and charges are set at a level to generate enough revenue to cover the costs of providing water service.

Proposed Recycled Water Rates

Table 1: All Customers Monthly Meter Charge

| MONTHLY METER CHARGE (based on meter size) | | | |
|--|-----------------|------------------|--|
| | 2018-19 | 2019-20 | |
| Meter Size | Current Charges | Proposed Charges | |
| 5/8-inch | \$16.49 | \$28.60 | |
| 3/4-inch | \$16.84 | \$28.60 | |
| 1-inch | \$29.30 | \$50.57 | |
| 1.5-inch | \$58.60 | \$87.17 | |
| 2-inch | \$90.33 | \$131.11 | |
| 3-inch | \$170.91 | \$270.23 | |
| 4-inch | \$261.24 | \$475.26 | |
| 6-inch | \$341.83 | \$1,039.06 | |
| 8-inch | \$488.35 | \$1,771.27 | |
| 10-inch | \$610.46 | \$2,796.38 | |

Table 2: Quantity Charge

| QUANTITY CHARGES (per HCF*) | | | |
|-----------------------------|----------------------------|-----------------------------|--|
| Use Type | 2018-19 Current Charges | 2019-20 Proposed Charges | |
| Irrigation | \$3.351 | | |
| Industrial | \$3.370 | | |
| Agriculture | \$3.324 | \$3.114 | |
| Irrigation Former Well | \$2.711 | | |
| Industrial Former Well | \$3.034 | | |
| Agriculture Former Well | \$3.034 | | |

Deadline to Submit Written Protests

If you wish to file a protest to the scheduled water rate increase, you must follow these rules for your protest to be included in the official tally presented to the City Council:

- Written protests must be received by the City prior to the close of the public hearing on June 4, 2019.
- You must indicate your name and the service address(es) of the property(ies) you own or rent that is/are subject to the scheduled rate adjustment.
- Submit *written* protests to the Office of the City Clerk in the form of a letter, fax, or e-mail as shown below before the start of the public hearing (protests during the meeting must be hand delivered to the City Clerk):

| Mail (or hand-deliver) | Fax | E-mail |
|---|---------------------------------------|--------------------------------|
| SJMWS Rate Increase City of San José – Office of the City Clerk 200 E. Santa Clara St. San José, CA 95113-1905 | (408) 292-6207 SJMWS Rate Increase | WaterRateProtest@sanjoseca.gov |